

Roberts et al. if asset income is placed at risk of total loss. The Robert et al. is not seen to support the notion of preserving an asset that has its future income stream nullified or placed at risk of total loss. In the Roberts case if its asset income is foregone, then it cannot preserve its asset as it has an obligatory future stream of liabilities to cover. Therefore the asset would have to be liquidated to meet the associated debt obligations.

The claimed invention relates to a method that calculates the discount value of an asset in order to leverage it up to the value of the asset by buying leveraged futures. In contrast, the Roberts et al. provides access to a list of securities and their respective yields and the current composition of the asset portfolio but does not associate the two in a relative portion as is the case in the claimed invention. Furthermore the securities list in the Robert et al. are seen to be restrained to US Treasuries Bonds, A grade Debt Notes, and other type of in-debt securities whose interest rates float (column 19 lines 25-40).

The claimed invention relates to a method that uses the total amount of expected income (or total opportunity potential) of the asset to invest into leveraged futures. In contrast, the Roberts et al. provides the insurance manager an amount available for investment that is net income from insurance operations. It is an amount net of the associated liability stream (asset income net of liability costs), which is not the total income expected value (or total opportunity potential) amount of the asset.

The claimed invention relates to a method that preserves the existing asset while using a portion of the exiting asset to convert into a leveraged, non-income bearing asset type. In contrast, the Roberts et al. provides uses a 'composite asset portfolio' for its yield calculations, it does not support a one isolated asset that is not associated with insurance liability costs, as each individual asset is part of the total asset portfolio valuation on a composite basis (Fig 6B 616 Calculate the yield on the asset portfolio (yield)). The Robert et al method of preservation of financial value is by investing in a relatively non-speculative (low risk) non-leveraged asset type to provide a periodic income stream. The Roberts et al. could be seen to reject the investment into futures contract as part of its Asset Portfolio as indicated by the text on Column 31 line 34-48. The Robert et al does not provide a guide as to how much (on a proportional basis) to invest in leveraged futures contract from the value of the asset or even its income or available cash. The Robert et al allows investment on the basis that there is excess funds (SA Yield over SA Costs) to be invested with the aim to produce further return.

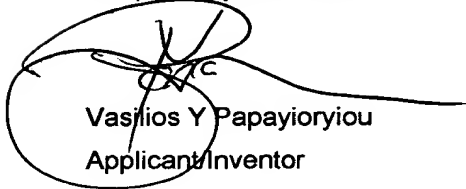
The claimed invention uses the discount value of the income to buy a futures contract (gross of any liability streams). In contrast, the Roberts et al method uses net asset

income (net of any liability streams) to cover a stream of future liabilities. If in the Roberts et al. the income was not available to meet its liabilities the Roberts scheme, "to insure the means of purchasing a floating rate zero coupon note that is designed to fund a certain future liability of uncertain value (and thereby defease fully its future cost)", would fail. "Only if the insurance manager's selections pass both tests are the transactions required to update the asset portfolio carried out. Otherwise control returns to the portfolio selection step block 610 via block 614 at which the deficiencies of the selected deficiencies are displayed to the insurance manager" (column 20, lines 5-45)

Accordingly, the Roberts et al patent does not have the same object as that of the claimed invention, and does not include the same series of steps as the claimed invention.

Withdrawal of this rejection is requested. In view of the foregoing remarks, Applicant submits that the present application is now in condition for allowance. An early allowance of the application with amended claims is earnestly solicited.

Respectfully submitted,



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